

RESOLUTION NO. 2017-130

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORONA GOVERNING COMPENSATION AND BENEFITS OF NON-REPRESENTED MANAGEMENT/CONFIDENTIAL GROUP EMPLOYEES

WHEREAS, the Management/Confidential Group of employees was created by Resolution 2012-008 adopted by the City Council of the City of Corona ("City") on February 15, 2012; and

WHEREAS, the City Council subsequently amended the compensation and benefits of the Management/Confidential Group employees, as provided in Resolution No. 2013-021 adopted by the City Council on March 20, 2013, Resolution No. 2013-050 adopted by the City Council on June 5, 2013, Resolution No. 2013-103 adopted by the City Council on October 16, 2013, Resolution No. 2015-020 adopted by the City Council on June 3, 2015; Resolution No. 2016-054 adopted by the City Council on June 1, 2016, Resolution No. 2017-019 adopted by the City Council on April 5, 2017, Resolution No. 2017-046 adopted by the City Council on June 21, 2017, Resolution No. 2017-099 adopted by the City Council on September 6, 2017, and Resolution No. 2017-112 adopted by the City Council on November 14, 2017; and

WHEREAS, the City Council now desires to amend the compensation and benefits of the Management/Confidential employees as provided in this Resolution, and thereby repeal Resolution 2017-112.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORONA DOES
HEREBY RESOLVE AS FOLLOWS:**

ARTICLE I

GENERAL PROVISIONS; EMPLOYER-EMPLOYEE RELATIONS

Section 1.1 Title of Resolution. This Resolution shall be known as the Compensation and Benefits Resolution for Non-Represented Management/Confidential Group Employees of the City of Corona, but also may be informally referred to as the Management/Confidential Group Employee Resolution.

Section 1.2 Term of Resolution. This Resolution shall remain in full force and effect until modified or terminated by action of the City Council.

Section 1.3 Statement of Purpose. This Resolution is adopted to provide a comprehensive listing of compensation and benefits to be provided to Management/Confidential Group employees.

Section 1.4 Members of Management/Confidential Group. The Management/Confidential Group is made up of employees holding the following positions in a full-time capacity and that are identified in the budget as Management/Confidential:

Various Departments

Administrative Services Manager (I, II, III and IV)
Administrative Supervisor
Office Manager

Legal and Risk Management

Risk Management Technician
Risk Manager
Senior Paralegal/Claims Manager

Department of Water & Power

Assistant General Manager
DWP Administrative Secretary
DWP Operations Manager
DWP Operations Analyst

Administrative Services Department

Accounting Supervisor
Accounting Technician (I, II and III)
Administrative Assistant
Business Systems Analyst I Flex
Finance Manager
Finance Manager (I, II, III and IV)
Financial Analyst (I, II and III)
Human Resources Analyst
Human Resources Manager (I, II and III)
Human Resources Technician (I, II and III)
Office Assistant
Payroll Technician (I, II and III)
Safety Coordinator
Safety Manager
Senior Human Resources Technician

Information Technology Department

Deputy Chief Information Officer
Information Technology Manager III
Telecommunications Manager
Web and Digital Media Manager

Management Services Department

Administrative Supervisor

Assistant to the City Manager
City Clerk/Community Information Manager
City Clerk Services Technician II
City Clerk Services Specialist
Community Information Assistant
Community Information Specialist
Economic Development Assistant
Economic Development Coordinator
Economic Development Manager I
Management Services Assistant
Program Coordinator
Senior Management Services Assistant

Police Department

Public Safety Finance Deputy Director

Library and Recreation Services Department

Library and Recreation Services Assistant Director

Public Works Department

Assistant Public Works Director
Public Works Program Supervisor
Public Works Specialist

In addition, the following employee positions shall be included in the Management/Confidential Group, even before this Resolution is amended to include them: (1) any other position created by the City Council and specifically designated by the City Council to be included in the Management/Confidential Group; and (2) any reclassifications or title changes to positions listed above which are approved by the City Manager, so long as such actions do not result in any change in compensation to the affected employee(s) or a substantive change to their job description(s).

Section 1.5 **Severance in Lieu of Notification During Layoffs.** Each employee laid off shall be given written notice of the layoff not less than one month prior to the effective date, or shall be paid severance in the amount of one hundred and sixty (160) hours (equating to one month). Employees who have accrued Annual Leave will be permitted to remain in paid status and exhaust all Annual Leave and/or compensatory time. For the purpose of pay and benefits, all remaining entitlements left as of the date of separation shall be paid out to the employee on their final check. This applies specifically to Frozen Sick Leave, Annual Leave, and/or compensatory time (as applicable).

Section 1.6 **Management Rights; Working Hours/Days.** The City and City Manager retain all management rights and have no meet and confer obligations with the Management/Confidential Group. Within management rights, the City Manager reserves the right to change the work schedule, working hours, and working days of any Management/Confidential

Group employee. Such changes include requiring Management/Confidential Group employees to work 4/40 (i.e., Fridays off) or Monday through Friday. A two-week notice will be provided prior to said change(s) being made.

Section 1.7 Definitions. When the following terms are used in this Executive Group Employee Resolution, they shall have the following meanings:

A. Tier I Employees. Tier I Employees are those employees hired by the City prior to January 1, 1999.

B. Tier II Employees. Tier II Employees are those employees hired by the City as follows: (1) Miscellaneous employees hired on or after January 1, 1999, but prior to January 1, 2013; and (2) Miscellaneous employees hired on or after January 1, 2013, but prior to November 14, 2017 and determined to be Classic CalPERS Members, as defined in Section 1.7(E) below.

C. Tier III Employees. Tier III Employees are those employees hired by the City on or after January 1, 2013, but prior to November 14, 2017, and determined to be New CalPERS Members, as defined in Section 1.7(F) below.

D. Tier IV Employees. Tier IV Employees are those employees hired by the City on or after November 14, 2017.

E. Classic CalPERS Members. Classic CalPERS Members shall have the same meaning as "classic members" defined under CalPERS laws, rules and regulations. Currently, "classic members" under CalPERS is understood to consist of employees hired by the City on or after January 1, 2013 who entered into membership with a California public retirement system prior to January 1, 2013 and who do not meet the definition of a "new member" under Government Code Section 7522.04(f).

F. New CalPERS Members. New CalPERS Members shall have the same meaning as "new members" defined under CalPERS laws, rules and regulations. Currently, the term "new members" under CalPERS is understood to consist of employees hired by the City on or after January 1, 2013 and who meet any of the following: (a) have never been members of any California public retirement system prior to January 1, 2013; or (b) were members of any other California public retirement system prior to January 1, 2013, but the system was not subject to reciprocity with CalPERS; or (c) were members in CalPERS prior to January 1, 2013 through an employer other than the City, but they had a break in service in excess of six (6) months before being hired by the City.

ARTICLE II

MEDICAL AND OTHER INSURANCE BENEFITS

Section 2.1 Flexible Benefit Allowance. The City will provide an annual allowance in the amount of fifteen hundred dollars (\$1,500.00) to active employees within the

Management/Confidential Group. This allowance is to be used for the purchase of nontaxable benefits and/or taxable benefits offered under the City of Corona Section 125 Cafeteria Plan ("Cafeteria Plan"). The employee shall have the opportunity to make an election as to the allocation of the allowance during open enrollment for the upcoming plan year. Benefits available under the Cafeteria Plan are as follows:

- Health, dental or vision insurance
- Reimbursement of eligible medical expenses
- Reimbursement of eligible dependent care expenses
- Taxable cash payment

Upon the conclusion of the open enrollment period, the employee's election shall not be subject to change during the plan year. Any amounts remaining in the reimbursement accounts after the expiration of the reimbursement periods shall be forfeited. Please see the Cafeteria Plan for further details.

If an employee fails to make an election during open enrollment, the allowance shall automatically be allocated to the employee's health care spending account. This default allocation shall not be subject to change.

During the first year of employment, the annual allowance for new employees shall be equal to one hundred and twenty-five dollars (\$125.00) times the number of whole months during which the employee will be employed with the City during the calendar year. New employees within the Management/Confidential Group, who have been employed by the City in another unrepresented group or represented unit, shall only be eligible for the greater flexible benefit allowance (i.e., either Management/Confidential Group or the former group or unit) during that transitional year. The total aggregate amount credited for any one employee under this section during any one calendar year shall not exceed the total allowance for the group or unit with the higher allowance during that calendar year.

Employees hired by the City prior to January 1, 1999 shall continue to receive this allowance if they retire from the City. Employees hired by the City after January 1, 1999 will not receive this benefit if they retire from the City. Eligible employees who retired prior to January 1, 2012 will continue to receive this benefit irrespective of the concessions of active employees for calendar years 2012 and 2013 addressed in Section 2.2 below. Additionally, eligible employees who retired during calendar year 2012 will receive this benefit during the 2013 calendar year and thereafter.

Notwithstanding the foregoing, no flexible benefit allowance shall be provided to any employees within the Management/Confidential Group hired on or after November 14, 2017, and effective January 1, 2018 no flexible benefit allowance shall be provided to any employees within the Management/Confidential Group while an employee of the City. Flexible benefit allowances provided to employees hired on or before November 13, 2017 shall continue to be honored through December 31, 2017 pursuant to the above provisions of this Section 2.1.

Section 2.2 Medical Insurance.

A. Tier I Employees. The City agrees to provide a monthly medical insurance allowance ("Medical Allowance") to Tier I Employees in the Management/Confidential Group, to be used for the purpose of purchasing mandatory health coverage under PEMHCA for the employee and his or her eligible dependents. Effective January 1, 2018, the Medical Allowance shall consist of the following: (1) a base contribution rate according to the current CalPERS schedule ("Base Contribution Rate"); plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- \$601.42 per month for employees electing Employee only coverage;
- \$1,202.83 per month for employees electing Employee plus one dependent coverage; or
- \$1,563.67 per month for employees electing Employee plus two or more dependents coverage.

The Medical Allowance will be made available through the Cafeteria Plan. If an employee enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.

B. Tier II Employees. The City agrees to provide a Medical Allowance to Tier II Employees in the Management/Confidential Group, to be used for the purpose of purchasing mandatory health coverage under PEMHCA for the employee and his or her eligible dependents.

The Medical Allowance shall be calculated for the various groups of Tier II Employees in the manners provided for in the following paragraphs:

1. Miscellaneous. For Miscellaneous employees hired on or after January 1, 1999, but prior to January 1, 2013, effective January 1, 2018 the Medical Allowance shall consist of the following: (1) the Base Contribution Rate; plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- \$601.42 per month for employees electing Employee only coverage;
- \$1,202.83 per month for employees electing Employee plus one dependent coverage; or
- \$1,563.67 per month for employees electing Employee plus two or more dependents coverage.

The Medical Allowance will be made available through the Cafeteria Plan. Subject to the limitations set forth below, the excess of the Medical Allowance remaining after purchase of mandatory health coverage under PEMHCA ("Medical Difference"), if any, may be allocated toward the purchase of other Cafeteria Plan benefits or may be taken as a taxable cash payment,

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in accordance with the terms of the Cafeteria Plan. The maximum Medical Difference to which an employee is entitled shall be as follows:

- \$350 per month for employees entitled to and electing Employee only coverage;
- \$700 per month for employees entitled to and electing Employee plus one dependent coverage; and
- \$950 per month for employees entitled to and electing Employee plus two or more dependents coverage.

If an employee enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.

2. Miscellaneous (Classic Members). For Miscellaneous employees hired on or after January 1, 2013 and determined to be Classic CalPERS Members, as defined in Section 1.7(E), effective January 1, 2018 the Medical Allowance shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- \$601.42 per month for employees electing Employee only coverage;
- \$1,202.83 per month for employees electing Employee plus one dependent coverage; or
- \$1,563.67 per month for employees electing Employee plus two or more dependents coverage.

The Medical Allowance will be made available through the Cafeteria Plan. The excess of the Medical Allowance remaining after purchase of mandatory health coverage through PEMHCA, if any, may **NOT** be allocated toward the purchase of other Cafeteria Plan benefits and may **NOT** be taken as a taxable cash payment. If an employee enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.

C. Tier III Employees. The City agrees to provide a Medical Allowance to Tier III Employees in the Management/Confidential Group, to be used for the purpose of purchasing mandatory health coverage under PEMHCA for the employee and his or her eligible dependents. Effective January 1, 2018, the Medical Allowance shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- \$601.42 per month for employees electing Employee only coverage;
- \$1,202.83 per month for employees electing Employee plus one dependent coverage; or
- \$1,563.67 per month for employees electing Employee plus two or more dependents coverage.

The Medical Allowance will be made available through the Cafeteria Plan. The excess of the Medical Allowance remaining after purchase of mandatory health coverage through PEMHCA, if any, may **NOT** be allocated toward the purchase of other Cafeteria Plan benefits and may **NOT** be taken as a taxable cash payment. If an employee enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.

D. Tier IV Employees. The City agrees to provide a Medical Allowance to Tier IV Employees regardless of whether the employee is considered a Classic CalPERS Member, as defined in Section 1.7(E), or a New CalPERS Member, as defined in Section 1.7(F), to be used for the purpose of purchasing mandatory health coverage under PEMHCA for the employee and his or her eligible dependents. Effective January 1, 2018, the Medical Allowance shall consist of the following: (1) the Base Contribution Rate, plus (2) an amount equal to the difference between the Base Contribution Rate and the following amounts, as applicable:

- \$473.46 per month for employees electing Employee only coverage;
- \$946.92 per month for employees electing Employee plus one dependent coverage; or
- \$946.92 per month for employees electing Employee plus two or more dependents coverage.

The Medical Allowance will be made available through the Cafeteria Plan. The excess of the Medical Allowance remaining after purchase of mandatory health coverage through PEMHCA, if any, may **NOT** be allocated toward the purchase of other Cafeteria Plan benefits and may **NOT** be taken as a taxable cash payment. If an employee enrolls in a health plan that costs more than the Medical Allowance, he or she will be responsible for payment of any premium in excess of the Medical Allowance.

Section 2.3 Medical Insurance Opt Out. Subject to meeting the requirements set forth below, and in lieu of receiving the Medical Allowance and Medical Difference (if applicable) provided for in Section 2.2 above, a Management/Confidential Group employee may elect to receive a monthly allocation to the Cafeteria Plan according to the following schedule:

Prior to January 1, 2018

- \$770.00 for Employee + 2 or more dependents
- \$592.00 for Employee + 1 dependent
- \$296.00 for Employee Only

Effective January 1, 2018

- \$1,000.00 for Employee + 2 or more dependents
- \$750.00 for Employee + 1 dependent
- \$450.00 for Employee Only

The amount of the monthly allocation shall be based on the alternative coverage in which the employee is enrolled. Said amount may be allocated toward the purchase of other Cafeteria Plan benefits or may be taken as a taxable cash payment, in accordance with the terms of the Cafeteria Plan. In order to qualify for this election, the employee must meet all of the following requirements:

- Provide satisfactory written proof of health insurance coverage for the employee and the employee's eligible dependents, if any;
- Sign a waiver of City offered health insurance coverage and an agreement to hold the City harmless for any consequences, whatsoever, that result from the waiver of City offered health insurance coverage; and
- Sign a statement acknowledging that the employee and the employee's eligible dependents will not be allowed to re-enroll in the health insurance coverage offered by the City until the next open enrollment period, and that re-enrollment will be subject to all conditions imposed by the insurance provider at the time of reenrollment. However, in the event of a HIPAA or COBRA "qualifying event", such employee would be allowed to re-enroll in health insurance effective the beginning of the following month without having to wait for the next open enrollment period.

If an employee who is currently opting out fails to make an election for opt out during open enrollment, the employee will be enrolled in a health insurance plan, employee only coverage, as determined by the City. This default allocation shall not be subject to change.

Section 2.4 Retiree Medical Insurance.

A. Tier I Employees. The City agrees to provide a monthly medical insurance premium payment ("Retiree Medical Premium Payment") to Tier I Employees in the Management/Confidential Group who retire from the City under the CalPERS system, for the purpose of purchasing health coverage offered through PEMHCA for the retiree and his or her eligible dependents. The Retiree Medical Premium Payment shall be payable in the following form: (1) Base Contribution Rate payable to CalPERS; and (2) a reimbursement to the retiree of the monthly premium for the medical insurance plan actually paid by the retiree ("Retiree Medical Reimbursement"). The Retiree Medical Reimbursement shall include reimbursement for premiums paid to Social Security for health insurance through Medicare once a year at the end of the year. Notwithstanding the preceding, Tier I Employees that retire on or after January 1, 2006 shall only be entitled to a Retiree Medical Premium Payment which is equal to or less than the monthly premium for the second highest PERS family plan at the PERS-designated classification for the Other Southern California Counties rate) and the Medicare reimbursement. If a retiree enrolls in a more expensive plan, he or she will be responsible for payment of any premium in excess of the capped amount.

Affirm Tier 1 Lifetime Health Benefit = City agrees to work with the City Attorney to provide a mechanism that provides additional assurance that Tier 1 lifetime health

benefits will not be revoked or negotiated away by future members of management, union representatives or City Councils.

B. Tier II, III & IV Employees. Tier II, Tier III, and Tier IV Employees in the Management/Confidential Group who retire from the City under the CALPERS system shall be entitled to a partial payment of the premium for the health insurance plan in which they are enrolled payable by the City to CalPERS in the amount equal to the Base Contribution Rate only. Such retirees shall not be reimbursed or otherwise receive payment from the City for health insurance premiums in excess of said Base Contribution Rate. The City will not reimburse such retirees for premiums paid to Social Security for health insurance through Medicare.

Section 2.5 Retiree Health Alternative – Tier I Employees. In lieu of receiving the Retiree Medical Premium Payment, a Tier I Employee in the Management/Confidential Group who retires from the City under the CalPERS system shall have the option of receiving an annual \$6,000 contribution, at a rate of \$500 per month, paid to a City-provided health care reimbursement plan on behalf of such retiree for the purpose of receiving reimbursements of qualifying health care expenses under Sections 105(b) and 213(d) of the Internal Revenue Code. To receive this benefit, a retiree must forfeit participating in any of the health benefit plans available to retirees of the City for the plan year in which such retiree elects to receive the contribution. Such retirees needing to re-enroll as a result of a COBRA or HIPPA “qualifying event” may do so on the first day of the month following that event, while those choosing to re-enroll in the absence of a HIPPA “qualifying event” may re-enroll during the next open enrollment period, unless the retiree has never participated in a CalPERS health plan. Tier II Employees, Tier III Employees and Tier IV Employees in the Management/Confidential Group who retire from the City under the CalPERS system shall not be eligible for this alternative.

Section 2.6 Family Medical Leave Act/California Family Rights Act. The City will pay to PERS the medical insurance premiums normally paid on behalf of that Management/Confidential Group employee, for up to 12 weeks, when an employee qualifies for an unpaid leave of absence in compliance with the Family Medical Leave Act (FMLA) and/or the California Family Rights Act (CFRA).

Section 2.7 Medicare Contribution. The City agrees to pay the Management/Confidential Group employee’s portion of the mandatory Medicare Contribution of 1.45% for all employees.

Section 2.8 Short-Term Disability. Effective January 1, 2012, the City shall provide a short-term disability insurance plan to each Management/Confidential Group employee who, for reasons of their own medical disability, commences a medical leave of absence. This insurance plan shall contain of the following provisions:

- Benefit level shall be 55% of basic monthly earnings less other income benefits.
- 90 calendar day benefit period (Includes 7 calendar day benefit waiting period).

- Monthly maximum benefit of \$10,000.00
- Ability to utilize annual leave or frozen sick leave to supplement disability payments.

Discretionary Authority: For this item, it should be noted that in making any benefits determination under the policy, the carrier shall have the discretionary authority both to determine eligibility for benefits and to construe the terms of the policy.

Leave under this section shall be administered in accordance with administrative policy 200.40, Leave of Absence under the Family Medical Leave Act, California Family Rights Act, and California Pregnancy Disability.

Section 2.9 Long-Term Disability. Effective January 1, 2012, the City shall provide a long-term disability insurance plan to each Management/Confidential Group employee, who for reasons of their own medical disability commences a medical leave of absence. This insurance plan shall contain of the following provisions:

- Benefit level shall be 66 2/3% of basic monthly earnings;
- Monthly maximum benefit of \$10,000.00
- Elimination Period (Waiting period): 90 days
- Ability to utilize annual leave or frozen sick leave to supplement disability payments.

Discretionary Authority: For this item, it should be noted that in making any benefits determination under the policy, the carrier shall have the discretionary authority both to determine eligibility for benefits and to construe the terms of the policy.

Section 2.10 Life Insurance & Accidental Death and Dismemberment.

A. Amount of Insurance. The City shall provide life and accidental death and dismemberment insurance coverage for Management/Confidential Group employees equal to five and one-half times the employee's annual base pay, to a maximum of \$750,000.

B. Discretionary Authority. In making any benefits determination under the City's Life Insurance & Accidental Death and Dismemberment policy, the carrier shall have the discretionary authority both to determine eligibility for benefits and to construe the terms of the policy.

Section 2.11 Retiree Life Insurance.

A. Amount of Insurance. The City shall provide a Life Insurance policy in the amount of \$50,000.00 to all Management/Confidential Group employees who retire from the City. This Life Insurance Policy shall remain in force until the retiree reaches the age of 70.

B. Discretionary Authority. In making any benefits determination under the City's Life Insurance policy, the carrier shall have the discretionary authority both to determine eligibility for benefits and to construe the terms of the policy.

Section 2.12 Employee Assistance Program (EAP). The City will provide an Employee Assistance Program ("EAP") to all Management/Confidential Group employees free of charge. This counseling service will provide immediate 24-hour assistance in crisis situations, as well as counseling and referral services for employees and immediate family members who are experiencing personal, marriage, family, work, substance abuse, or financial problems. Note that the City may provide, in its sole discretion, an enhanced EAP for Police Department employees.

ARTICLE III **RETIREMENT – PERS**

Section 3.1 Public Employees Retirement System. The City agrees to provide a retirement plan provided through the California Public Employees Retirement System ("CalPERS" or "PERS"). This plan will provide those benefits described in Sections 3.2 and 3.3.

Section 3.2 Retirement Benefit.

A. Tier I & II Employees. For Tier I Employees and Tier II Employees, the City shall provide 2.7% @ age 55.

B. Tier III Employees. For Tier III Employees, the City shall provide 2% @ age 62.

C. Tier IV Employees. The City shall provide 2.7% @ age 55 for Tier IV Employees who are determined to be Classic CalPERS Members, as defined in Section 1.7(E). The City shall provide 2% @ age 62 for Tier IV Employees who are determined to be New CalPERS Members, as defined in Section 1.7(F).

Section 3.3 Member Contribution Rate.

A. Tier I Employees. Effective October 19, 2013, Tier I Employees shall pay the eight percent (8%) employee CalPERS contribution.

B. Tier II Employees. Effective October 19, 2013, Tier II Employees shall pay the eight percent (8%) employee CalPERS contribution.

C. Tier III Employees. Tier III Employees in the Management/Confidential Group shall pay a portion of the normal cost rate for their CalPERS defined benefit retirement plan. This mandatory employee contribution is not a fixed amount. Rather, it will be set by CalPERS based on the following formula: the mandatory employee contribution will be equal to

the greater of: (a) fifty (50%) percent of the total normal cost rate attributable to their defined benefit plan, rounded to the nearest quarter of one percent (0.25%); or (b) the current contribution rate of similarly situated City employees. The City will inform new members of the actual mandatory employee contribution when CalPERS informs the City of the rate. It is acknowledged that the City will not pay any portion of the employee's contribution.

D. Tier IV Employees.

1. Classic CalPERS Members. Tier IV Employees who are determined to be Classic CalPERS Members, as defined in Section 1.7(E), shall pay the eight percent (8%) employee CalPERS contribution.

2. New CalPERS Members. Tier IV Employees who are determined to be New CalPERS Members, as defined in Section 1.7(F), shall pay the following percentages of the employee's portion of the CalPERS retirement contribution: a portion of the normal cost rate for their CalPERS defined benefit retirement plan. This mandatory employee contribution is not a fixed amount. Rather, it will be set by CalPERS based on the following formula: the mandatory employee contribution will be equal to the greater of: (a) fifty (50%) percent of the total normal cost rate attributable to their defined benefit plan, rounded to the nearest quarter of one percent (0.25%); or (b) the current contribution rate of similarly situated City employees. The City will inform new members of the actual mandatory employee contribution when CalPERS informs the City of the rate. Such payments shall be reported as normal contributions and shall be credited to employee accounts. It is acknowledged that the City will not pay any portion of the employee's contribution.

E. Purchase of Service Credit – Tier I & II Employees. The provisions of this Section 3.3 are applicable to Tier I Employees, Tier II Employees and Tier IV Employees who are determined to be Classic CalPERS Members, as defined in Section 1.7(E). Such employees may purchase CalPERS service credit for military service, service prior to membership, "airtime" or any other qualified basis, at their sole and entire expense, in accordance with Government Code Section 21024; provided, however, that all employees will be prohibited from purchasing "airtime" on or after January 1, 2013. Tier III Employees and Tier IV Employees who are determined to be New CalPERS Members, as defined in Section 1.7(F), shall have no right to the provisions of this Section 3.3.

Section 3.4 Additional Benefits – Tier I & II Employees. Except as expressly provided in this Section (see parenthetical in (A)(10)), the provisions of this Section 3.4 are applicable to Tier I Employees, Tier II Employees and Tier IV Employees who are determined to be Classic CalPERS Members, as defined in Section 1.7(E). Except as expressly provided in this Section (see parenthetical in (A)(10)), Tier III Employees and Tier IV Employees who are determined to be New CalPERS Members, as defined in Section 1.7(F), shall have no right to the provisions of this Section 3.4.

A. Miscellaneous Management/Confidential Group Employees.

1. Final Compensation (Section 20042). One Year - Local Member.
2. EPMC (Section 20691). Effective October 19, 2013, the City has adopted the appropriate CalPERS resolution to remove employer paid member contributions (EPMC), and thus the City will no longer pay any EPMC and will no longer report EPMC as additional compensation for retirement purposes.
3. Additional Service Credit (Section 20903). Golden Handshake - Local Member Two Years Additional Service Credit.
4. Layoff Period (Section 21022). Public Service - Layoff Period - Local Member.
5. Military Service (Section 21024). Public Service - Military Service - Local Member.
6. Survivor Allowance – 3rd Level (Section 21573). 1959 Survivor Allowance - Third Level.
7. Survivor Allowance – 4th Level (Section 21574). 1959 Survivor Allowance - Fourth Level - Local Member. The City will authorize an increase of the PERS 1959 Survivor Benefit from Level Three to Level Four, effective February 4, 2006, with the difference in costs to be paid by the employee (contingent on PERS contractual requirements).
8. Medical Contribution – Retirees (Section 22825.6). Medical contribution for retirees.
9. Post-Retirement Survivor Benefits (Sections 21624, 21626 & 21628). Effective June 30, 2009, the City will provide Post-Retirement Survivor Benefits (Government Code § 21624, 21626, and 21628).
10. Death Benefit (Section 21548). Pre-Retirement Option 2W Death Benefit. (Applies to all Miscellaneous employees).

Section 3.5 Additional Provisions –Tier III & IV Employees. The provisions of this Section 3.5 are applicable to Tier III Employees and Tier IV Employees who are determined to be New CalPERS Members, as defined in Section 1.7(F).

A. New Member Pensionable Compensation Limit. For employees subject to this Section 3.5, effective January 1, 2013 their compensation reported to CalPERS to be used in calculating retirement benefits will be capped at an amount that will be subject to annual adjustment by CalPERS in accordance with CalPERS laws, rules and regulations. Currently, that

amount is One Hundred and Thirty-Six Thousand Four Hundred and Forty Dollars (\$136,440), but is subject to automatic adjustment by CalPERS.

B. New Member Final Compensation Formula. For employees subject to this Section 3.5, effective January 1, 2013 their Final Compensation will be determined using the highest three (3) year average of pensionable compensation, in accordance with CalPERS laws, rules and regulations.

ARTICLE IV

TUITION REIMBURSEMENT

Section 4.1 Tuition Reimbursement Policy. The City recognizes the value of an educated workforce and encourages employees to pursue the goal of higher education. Pursuant to City Administrative Policy 01400.012 (Tuition Reimbursement) ("Tuition Reimbursement Policy"), which is subject to City Council budgetary discretion and which the City may amend in its sole discretion, the City has adopted a plan to provide financial reimbursement for tuition and textbooks for job related college courses. It is a plan in which the City participates with the employee in financing specific job related courses leading to an appropriate degree or certificate. Employees are to use their off-duty hours in the pursuit of higher education.

Subject to satisfaction of all criteria set forth in this Article IV and the Tuition Reimbursement Policy, for education plans approved in writing by the City on or after November 14, 2017, the City shall reimburse employees for the costs described in this Article IV and the Tuition Reimbursement Policy up to a maximum amount of \$2,500 per employee per fiscal year ("Fiscal Year Maximum") and a lifetime maximum amount of \$10,000 per employee ("Lifetime Maximum"). For education plans approved in writing by the City on or before November 13, 2017, the Fiscal Year Maximum and the Lifetime Maximum shall not apply.

Section 4.2 Pre-Approval. Management/Confidential Group employees must apply for and receive written approval from their department director and the Human Resources Department prior to enrolling in classes at an approved accredited educational institution.

Section 4.3 Deductions – Other Funding Sources. An employee receiving funds for tuition and books paid for from other sources, including, but not limited to: grants, scholarships, and veteran's educational benefits, shall first apply (deduct) the amount of those funds to the amount being reimbursed by the City.

Section 4.4 City Vehicles; Mileage. City vehicles will not be authorized for transportation to and from courses. Additionally, there will be no reimbursement for mileage accumulated on an employee's personal vehicle for transportation to and from these courses.

ARTICLE V

HOLIDAYS

Section 5.1 Holiday Schedule. The following holiday schedule shall be applicable to all Management/Confidential Group employees:

- A. January 1st, known as "New Year's Day"
- B. Third Monday in January designated as "Martin Luther King Day"
- C. Third Monday in February, known as "President' day"
- D. Last Monday in May, known as "Memorial Day"
- E. July 4th, "Independence Day"
- F. First Monday in September, known as "Labor Day"
- G. November 11th, known as "Veterans Day"
- H. Thanksgiving Day
- I. Friday immediately following Thanksgiving Day
- J. December 24th, known as "Christmas Eve"
- K. December 25th, known as "Christmas Day"
- L. December 31st, known as "New Year's Eve"
- M. Every day appointed by Mayor, with the consent of the City Council, except for every day on which an election is held throughout the State

If a holiday falls on a Sunday, the Monday following is observed. If a holiday falls on a Saturday, the preceding Friday is observed.

Section 5.2 Annual Leave Accrual Rates for Holidays. Management/Confidential Group employees shall observe the holiday or shall accrue eight (8) hours of Annual Leave if the holiday falls on a regularly scheduled non-work day. For pay and accrual purposes, a "holiday" is eight (8) hours.

Section 5.3 Exempt Employees. Exempt Management/Confidential Group employees who work on holidays are compensated for the holiday and accrue eight (8) hours of Annual Leave.

Section 5.4 Non-Exempt Employees. Non-Exempt Management/Confidential Group employees shall be compensated at time and one-half for hours actually worked on the holidays designated in Section 5.1.

ARTICLE VI

LEAVES

Section 6.1 Annual Leave – Definition. Annual Leave is compensated absence, which replaces former vacation and sick leave plans, for those eligible employees who are absent from duty because of illness, injury, medical, or dental care appointments, or personal vacation.

Special reference to Workers' Compensation is noted in Section 6.9. Special reference to Tier I Miscellaneous Employees Annual Leave calculations is noted in Section 6.11.

Section 6.2 Annual Leave – Accrual. Each biweekly pay period, Annual Leave hours earned are posted to the account of each eligible employee's account. Employees shall accrue Annual Leave based on the following:

| <u>Years of Service</u> | <u>Accrual per Pay Period</u> | <u>Annual Accrual</u> |
|-------------------------|-------------------------------|-----------------------|
| PROBATIONARY | 4.15 hrs | 107.90 hrs |
| 1 – 5 years | 8.31 hrs | 216.06 hrs |
| 6 – 8 years | 8.92 hrs | 231.92 hrs |
| 9 – 15 years | 9.84 hrs | 255.84 hrs |
| 16 or more years | 11.38 hrs | 295.88 hrs |

The total Annual Leave granted may not exceed the amount posted to an employee's account as of the last day worked preceding leave. Employees shall continue to accrue Annual Leave while on paid leave status.

Section 6.3 INTENTIONALLY OMITTED.

Section 6.4 Annual Leave – First Year of Employment. Probationary employees employed less than one (1) full year shall accrue probationary Annual Leave, at one-half the rate of Annual Leave accrual for a 1-5 year full time regular employee. Such accrued time may be used only for illness or medical reasons for the employee or the employee's immediate family. After six (6) months, an employee may be "advanced" and use up to one (1) week of Annual Leave for vacation purposes, with the permission of his or her supervisor. Notwithstanding the above, upon completion of the probationary period and obtaining the status of a full-time regular employee, an employee shall have credited to his/her Annual Leave account all unused accrued hours at the 1-5 year employee rate.

Section 6.5 Annual Leave – Cash-Out. Management/Confidential Group employees who leave City service for any reason with any number of years of service with the City shall be eligible to receive one hundred percent (100%) of their accrued but unused Annual Leave as taxable compensation. Payment shall be calculated at the employee's then current hourly base pay rate plus, for Tier I miscellaneous employees, the Tier 1 Longevity Pay, at the date of separation from City service. If retiring, an employee has the option of a cash payment or delay of date of retirement as the method of receiving unused Annual Leave. Alternatively, employees separating from City service for any reason (including retirement) may make an irrevocable advance election before the first day of the month of separation to contribute accrued Annual Leave remaining at separation to the employee's account provided under the City's 457(b) deferred compensation plan. Contributions of Annual Leave to the 457(b) plan may not cause the employee to exceed the maximum annual deferral limitation for the year in which the contribution is made (\$18,000 for 2017, plus catch-up contributions of \$6,000 for employees age

50 or older). If an employee elects to contribute Annual Leave to the 457(b) plan, any Annual Leave that exceeds the maximum annual deferral limitations will be paid to the employee as a taxable cash payment, unless such Annual Leave is otherwise used to delay the employee's date of retirement.

Section 6.6 Annual Leave – Unpaid Leave Time. Annual leave hours are not earned during periods of unpaid leave.

Section 6.7 Annual Leave – Maximum Accumulation. As of December 31 of each year, Management/Confidential Group employees may accumulate a maximum of five hundred and eighty-four (584) hours of Annual Leave. Effective December 31, 2006, any excess Annual Leave hours in an employee's account will no longer be lost. Instead, the monetary equivalent of the excess hours will be placed in a Retirement Healthcare Savings Account on the employee's behalf. Employees may elect either the ICMA VantageCare Plan or the Nationwide PEHP.

Section 6.8 Annual Leave – Usage. Management/Confidential Group Employees must use at least forty (40) hours of Annual Leave during each calendar year.

Department heads are responsible for arranging Management/Confidential Group leave schedules so that adequate personnel are available to carry on necessary City work. When practicable, employees should be permitted to schedule Annual Leave at times most acceptable to the employee. In large departments the choice of vacation times should be arranged according to seniority or some other equitable method.

Employees desiring to use Annual Leave time, which has not been previously scheduled, for illness or family emergency, shall report to their department to obtain authorization for the absence. The department director or his or her designee may require the employee to furnish satisfactory evidence justifying any such request according to FMLA rules.

Medical examination by the City's examining physician may be requested by the department director, with the approval of the Human Resources Director, after prolonged, serious, or repetitious illness, injury, or major surgery. An employee's return to duty following illness or injury is subject to the approval of the Human Resources Director, based upon medical information supplied by the employee's physician and/or the City's examining physician, according to FMLA rules.

Section 6.9 Annual Leave – Workers Compensation. An employee who is absent from duty because of a temporary disability which is alleged by the employee as industrial under the Workers' Compensation Act, but who is not granted industrial leave by the City, may use accrued but unused Annual Leave. The absence shall be charged against the employees accumulated leave credits, except as provided by Section 4850 of the Labor Code.

An employee absent from work because of a work-related injury shall receive temporary disability benefits as required by law. Employees receiving temporary disability benefits shall have the option of augmenting their disability payments by drawing down on their accrued but

unused Annual Leave account, provided, however, that the combined amount received from disability payments and their Annual Leave account shall not exceed what the employee would normally receive in compensation.

Section 6.10 Annual Leave – Pay in Lieu (Buy Back). Employees may make an advance irrevocable election each year to buy back Annual Leave that will be accrued in the following 12 month period (commencing with the first full pay period of the fiscal year and ending with the last full pay period of that fiscal year) (“Buy-Back Period”) by submitting an Annual Leave Buy-Back Request form during the last 15 days of June. Annual Leave buy back payments will be calculated at the employee’s base rate of pay as of the last full pay period of the Buy-Back Period. Frozen Sick Leave accounts are not available for buy-back. Notwithstanding anything in this Resolution to the contrary, an employee’s base rate of pay shall not include any special compensation pay including, but not limited to, Bilingual Pay (Section 7.10) and Automobile Allowance (Section 7.15).

Upon the employee’s submission of an Annual Leave Buy-Back Request, the City will buy back Annual Leave after the close of Buy-Back Period from the employee’s account, according to the following criteria:

| <u>Annual Leave Used During the Buy-Back Period</u> | <u>Min. Annual Leave Remaining After Buy-Back</u> | <u>Maximum Buy-Back</u> |
|---|---|-------------------------|
| 40 Hours | 80 Hours | 120 Hours |
| 60 Hours | 80 Hours | 140 Hours |
| 80 Hours | 80 Hours | 160 Hours |

If an employee is out on extended Military Leave, the City will buy back up to one hundred and sixty (160) hours without the usual requirement that the employee have used Annual Leave hours during the Buy-Back Period.

The City will endeavor to implement, on or before July 1, 2018, a process that allows Employees to make an advance irrevocable election twice per year to buy back Annual Leave that will accrue after the election provided that the City’s computer and software technology can accommodate an automated electronic method for processing Annual Leave Buy Back Request forms, as determined by the City Manager. If the City’s computer and software technology can accommodate an electronic method, this Resolution will be amended to implement the twice per year buy-back process, including, without limitation, the time for submission of Annual Leave Buy Back Request forms and the minimum criteria that an Employee must satisfy to buy back Annual Leave.

Payment shall be made on the Friday after the pay day for the last full pay period of the Buy-Back Period. If an employee does not meet the requirements for a buy-back as outlined above as of the end of the Buy-Back Period, no buy-back payment will be made, provided that an employee meeting the requirements for a lower buy-back amount than elected by the employee will have his or her election automatically adjusted and will receive the corresponding lower

buy-back payment. For example, if an employee submits an Annual Leave Buy-Back Request to buy back 140 hours of Annual Leave, but has only used 40 hours of Annual Leave during the Buy-Back Period, the employee's election will be automatically adjusted to request a buy-back of 120 hours. Employees may not elect to buy back Annual Leave that has accrued during a previous Buy-Back Period. Employees must submit a new Annual Leave Buy-Back Request for each Buy-Back Period and failure to submit an Annual Leave Buy-Back Request will result in the employee being prohibited from buying back Annual Leave for that Buy-Back Period.

Section 6.11 Annual Leave – Tier I Miscellaneous Employees. Tier I miscellaneous employees Annual Leave calculation will include their base pay rate and Tier 1 Longevity Pay combined.

Section 6.12 Executive Leave. The City will provide executive leave for exempt Management/Confidential Group employees in lieu of other compensation for overtime. Effective April 1, 2016, Exempt Management/Confidential Group employees shall be granted Executive Leave of one hundred eight (108) hours during any fiscal year regardless of the employee's particular work schedule. Employees who become entitled to Executive Leave in the middle of a fiscal year shall be granted a pro-rated amount of hours. Executive Leave has no cash value at any time and any Executive Leave which is unused as of the last payroll period of any fiscal year does not carry over to the next fiscal year. The City Manager shall approve and issue an administrative policy that sets forth, in a manner that implements the purpose of Executive Leave while valuing public resources, the details on the accrual rate for Executive Leave and the guidelines for using accrued Executive Leave.

Section 6.13 Frozen Sick Leave (Former Sick Leave Accounts) - Use. These accounts are frozen and held in a separate account called "Frozen Sick Leave." Frozen Sick Leave is not to be added to active Annual Leave, but is held constant until retirement. Frozen Sick Leave cannot be used to donate hours and is not available for buy-back. Any time off based on a verified "on-the-job" injury shall be an eligible use of Frozen Sick Leave account, irrespective of the number of hours of accrued Annual Leave that the injured employee has. In the case of illness, an employee may use their Frozen Sick Leave under either of the following conditions:

- The employee's Annual Leave balance is reduced to eighty (80) hours or less; or
- The employee has written confirmation from the employee's physician and has been off "sick" for at least four (4) consecutive workdays or forty (40) hours. The employee shall be eligible to use their Frozen Sick Leave account for those days beyond this minimum amount of time that the employee misses from work, irrespective of the number of hours of accrued Annual Leave the employee has. Notwithstanding the foregoing, if the employee has used seventy-five (75) hours of Annual Leave within the preceding 12-month period and has obtained written confirmation from the employee's physician of an illness, Frozen Sick Leave may also be used for the first four (4) consecutive workdays or forty (40) hours that the employee is off "sick."

Section 6.14 Frozen Sick Leave (Former Sick Leave Accounts) – Cash-Out. Employees who retire, retire due to disability, or are deceased prior to retirement, after a minimum of fifteen (15) years of permanent employment with the City, will be paid three percent (3%) of the Frozen Sick Leave for each year of service with the City. Payment shall be calculated at the employee's hourly base pay rate in effect at the time of separation plus, for Tier I miscellaneous employees, the Tier 1 Longevity Pay in effect at the date of separation from City service. Under no circumstances shall the amount paid exceed the value of the total unused Frozen Sick Leave balance in the employee's account.

Management/Confidential Group employees who resign from the City with a minimum of twenty (20) years of service with the City shall be eligible to receive three percent (3%) of the Frozen Sick Leave for each year of service with the City. Payment shall be calculated at the employee's hourly base pay rate in effect at the time of separation plus, for Tier I miscellaneous employees, the Tier 1 Longevity Pay in effect at the date of separation from City service. Under no circumstances shall the amount paid exceed the value of the total unused Frozen Sick Leave balance in the employee's account.

Effective December 13, 2003, Management/Confidential Group employees who leave City service for any reason with a minimum of twenty-five (25) years of service with the City shall be eligible to receive one hundred percent (100%) of their Frozen Sick Leave account. Payment shall be calculated at the employee's hourly base pay rate plus, for Tier I miscellaneous employees, the Tier 1 Longevity Pay, in effect at the date of separation from City service.

If retiring, an employee has the option of a cash payment or delay of date of retirement as the method of receiving unused Frozen Sick Leave.

ARTICLE VII **COMPENSATION**

Section 7.1 Salary Table; Salaries; June 2015 One-Time Payment. The salary range for Management/Confidential Group employees shall be as provided in the City's comprehensive salary table, as such table may be amended from time to time.

A. 2017 Base Rate of Pay COLA. Effective the first full payroll period following November 14, 2017, the base rate of pay for all Management/Confidential Group employees shall be increased by approximately two percent (2%) by moving each employee's base pay four (4) steps up on the City's salary grid. The salary ranges for all positions in the Management/Confidential Group employees will be updated accordingly in the City's Position Library and Compensation Plan.

Section 7.2 INTENTIONALLY OMITTED.

Section 7.3 INTENTIONALLY OMITTED.

Section 7.4 Merit Increase Effective Date. As stated in Section 7.1, each position shall be assigned a salary range. The minimum time before which an employee may advance within the assigned salary range is one (1) year, except that the City Manager may advance an employee sooner for meritorious reasons. Merit increases based upon annual performance evaluations shall be implemented based upon the employee's anniversary date. An employee who receives an overall performance rating of "Satisfactory" or better from his or her supervisor shall be advanced five percent (5%) each year up to the top of the position's salary range.

Section 7.5 Promoted Employees. Management/Confidential Group employees promoted to a higher position within the Management/Confidential Group shall be subject to a six-month probationary period.

Section 7.6 Overtime. Effective the first full payroll period following November 14, 2017, non-exempt employees shall be compensated overtime only for time worked in accordance with the standards and rules mandated under the Fair Labor Standards Act ("FLSA") and not for time in paid status (e.g., no annual or other leave time or other paid time off shall be counted towards overtime eligibility). Tier I miscellaneous employee overtime pay rate calculation shall include the Tier 1 Longevity Pay.

Section 7.7 INTENTIONALLY OMITTED.

Section 7.8 INTENTIONALLY OMITTED.

Section 7.9 Special Compensation – Longevity Pay.

A. All Management/Confidential Group Employees. The City shall establish a longevity pay program for Management/Confidential Group employees, with an annual payment to employees as follows: As of the 1st day of September:

Years of Service

| | |
|--|------------|
| Five (5) but fewer than ten (10): | \$1,400.00 |
| Ten (10) but fewer than fifteen (15): | \$1,600.00 |
| Fifteen (15) but fewer than twenty (20): | \$1,800.00 |
| Twenty (20) or more: | \$2,000.00 |

Longevity Pay shall be included with the formula utilized for the purposes of calculating total compensation under PERS. Payment shall be made on a non-regular payroll day, when feasible, during the first half of the month of September and in all cases prior to the end of September.

B. Tier 1 Management/Confidential Group Employees. In addition to the Longevity Pay provided in Section 7.9(A), Tier I employees will also receive three percent (3%) over their base pay rate ("Tier 1 Longevity Pay"). All other salary calculations shall include the Tier I employees' base pay rate and the Tier 1 Longevity Pay combined. Tier 1 Longevity Pay

shall be included with the formula utilized for the purposes of calculating total compensation under PERS.

Section 7.10 Special Compensation – Bilingual Pay. Effective November 14, 2017, the bilingual pay program will provide an increase of \$322.50 per month for certain employees who are able to demonstrate the ability to both understand and effectively communicate in a language other than English that the City Manager has determined is necessary for the effective or efficient operation of the City. For a given language, the number of employees necessary for the effective and efficient operation of the City and thus eligible to receive bilingual pay will be determined by the City Manager or his or her designee. To be considered eligible for bilingual pay, an employee must be certified by the Administrative Services Director after successfully passing an oral conversational and a written test established by the City Manager or his or her designee. If an employee is approved for bilingual pay for less than a full month, the monthly amount shall be prorated accordingly.

Section 7.11 INTENTIONALLY OMITTED.

Section 7.12 INTENTIONALLY OMITTED.

Section 7.13 INTENTIONALLY OMITTED.

Section 7.14 Special Compensation – Working Out of Class. The City has established a policy whereby an employee, when assigned to perform the tasks of a higher level position for more than forty (40) hours, not necessarily consecutively, shall be paid at the "first" step of the higher position's salary range or seven and one-half percent (7.5%) more than their current base salary, whichever is greater, for the entire time served in the higher position, except that in no case shall the salary paid to the employee working out of class be higher than "top" step of the position being worked. Employees whose job description duties state that they "act" in the absence of their supervisor do not qualify to receive out of class pay, unless that position is vacant and/or it is a long-term assignment in the discretion of the employee's supervisor and the City Manager. In such a case, the employee should be placed in the position in an "acting" capacity by memo and not be paid out of class.

Section 7.15 Special Compensation – Auto Allowance and Assigned Vehicles. The City Manager shall have the authority, but not the obligation, in his or her sole discretion, to provide an auto allowance or City-assigned vehicle to a Management/Confidential Group employee.

A. Auto Allowance. In no event shall an auto allowance exceed three hundred and fifty (\$350) per month.

B. City-Assigned Vehicle. If the City Manager chooses to provide a City vehicle for the exclusive use of an employee, the City will maintain and provide fuel for the vehicle at the City's facilities. The vehicle shall not be operated by persons other than the assigned employee, except that other employees of the City may use the vehicle for official City

business with the consent of the assigned employee. The City understands that since the employee will remain on-call at all times, the vehicle may be used for personal as well as official business; provided, however, the vehicle shall never be used for personal use outside of the seven Southern California counties consisting of San Bernardino, Riverside, Orange, Los Angeles, San Diego, Ventura and Santa Barbara.

C. Mileage Reimbursement. If the City Manager chooses not to provide an auto allowance or assigned vehicle to an employee, the employee may submit reimbursement requests for mileage used in a personal vehicle for official City business. The reimbursement rate shall be the I.R.S. allowable rate, and all reimbursements and documentation supporting the same shall be in accordance with City policy.

Section 7.16 INTENTIONALLY OMITTED.

Section 7.17 Deferred Compensation.

A. Tier I Employees. The City shall deposit into each Tier I Employee's deferred compensation plan account at the end of each quarter an amount equal to that deposited by the employee, not to exceed nineteen hundred dollars (\$1,900.00) per year. The match shall be applied to a single provider selected by the employee.

B. Tier II & III Employees. The City shall deposit into the deferred compensation plan account of each Tier II Employee and Tier III Employee, at the end of each quarter, an amount equal to that deposited by the employee, not to exceed nineteen hundred dollars (\$1,900.00) per year. The match shall be applied to a single provider selected by the employee. Tier II Employees and Tier III Employees shall also receive an additional payment into their deferred compensation plan account equal to one hundred and fifty dollars (\$150.00) per quarter. The employee must select one provider for this payment.

C. Loans. Employees may take out loans against their Deferred Compensation accounts subject to the following terms and conditions:

1. Loans shall be made pursuant to a written, enforceable loan agreement.

2. Loans shall be available for all purposes. Loans shall not exceed the lesser of (i) \$50,000, or (ii) the greater of 1/2 of the employee's account balance or \$10,000. The minimum loan amount available shall be \$1,000.00.

3. Employees may receive one loan per calendar year and may have only one outstanding loan at a time.

4. Loans shall be repaid in substantially equal installments of principal and interest, at least quarterly, over no more than 5 years; provided that loans for a

principal residence shall be repaid in substantially equal installments of principal and interest, at least monthly, over no more than 15 years.

5. Loans shall be made at a reasonable interest rate.

6. Employees shall repay loans directly to the employee's deferred compensation plan provider. Loans will be in default if any payment is not made within 60 days of the date it is due or as otherwise provided in the loan agreement.

7. If there is a default or the loan does not meet the requirements outlined above, the outstanding loan balance will be reported as a taxable distribution in addition to the amount of cash distributed from the plan, and may be subject to additional taxes for early withdrawal.

Arrangements for such loans must be initiated by the employee and made directly with their deferred compensation provider.

D. Retirement Healthcare Savings.

1. Tier II & III Employees. The City shall deposit into the Retirement Healthcare Savings Account of each Tier II Employee and Tier III Employee one hundred and fifty dollars (\$150.00) per quarter. Employees may elect either the ICMA VantageCare Plan or the Nationwide PEHP.

E. Tier IV Employees. The deferred compensation benefits described in this Section 7.17 (yearly match, quarterly contribution to deferred compensation plan, and quarterly contribution to Retirement Healthcare Savings Account) shall not apply or be provided to any Tier IV Employees, regardless of whether the employee is considered a Classic CalPERS Member, as defined in Section 1.7(E), or a New CalPERS Member, as defined in Section 1.7(F).

ARTICLE VIII

MISCELLANEOUS TERMS

Section 8.1 Severability. If any provision of this Resolution, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Resolution, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

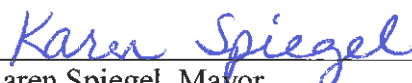
Section 8.2 Notices. Any notices to be given under this Resolution shall be in writing and may be transmitted by personal delivery or mail, registered or certified, postage prepaid. Mailed notices shall be addressed to the City of Corona at 400 South Vicentia, Corona, California, 92882; and shall be addressed to employees at the address the employee has provided

to the City. Notices delivered personally shall be deemed communicated as of the date of actual receipt. Mailed notices shall be deemed communicated as of the date the notice is postmarked.

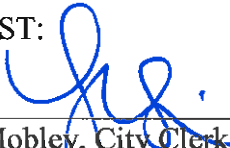
Section 8.3 Repeal of Prior Actions. By adoption of this Resolution, all prior resolutions or approved compensation and benefit documents for the employees in this Management/Confidential Group shall be deemed repealed to the extent inconsistent with this Resolution, including Resolution 2017-112 approved on November 14, 2017.

Section 8.4 Certification; Effective Date. The City Clerk shall certify as to the adoption of this Resolution, and it shall be retroactively effective as of November 14, 2017.

PASSED, APPROVED, AND ADOPTED this 20th day of December, 2017.



Karen Spiegel, Mayor
City of Corona

ATTEST: 

Lisa Mobley, City Clerk
City of Corona

CERTIFICATION

I, Lisa Mobley, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly passed and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the 20th day of December 2017, by the following vote:

| | |
|-------------------|---|
| AYES: | FOX, HALEY, MONTANEZ, SCOTT, SPIEGEL |
| NOES: | NONE |
| ABSENT: | NONE |
| ABSTAINED: | NONE |

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Corona, California, this 20th day of December 2017.



City Clerk of the City of Corona, California

(SEAL)